

**CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS**

BOSSIER CITY, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-9-06

CADDO-BOSSIER OFFICE OF EMERGENCY PREPAREDNESS
BOSSIER CITY, LOUISIANA

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
Required Supplemental Information - Part I	
Management's Discussion and Analysis	3-4
Government-Wide Financial Statements	
Statement of Net Assets	5
Statement of Activities	6
Governmental Funds Financial Statements	
Balance Sheet	7
Revenues, Expenditures and Changes	8
Note to Financial Statements	9-16
Required Supplemental Information – Part II	
Budgetary Comparison Schedule General Fund	17
Supplemental Information	
Schedule of Expenditures of Federal Awards	18
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	19-20
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	21-22
Summary of Auditor's Results	23
Schedule of Audit Findings and Questioned Costs	24
Schedule of Prior Audit Findings	25
Management's Corrective Action Plan	26

Richard C. McCallister
Certified Public Accountant

3536 Youree Drive
P.O. Box 44046
Shreveport, LA 71134-4046
(318) 865-9206
FAX (318) 865-0751

Member
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Independent Auditor's Report

To the Executive Council
Caddo-Bossier Office of Homeland Security
and Emergency Preparedness
Bossier City, Louisiana

I have audited the accompanying financial statements of Caddo-Bossier Office of Homeland Security and Emergency Preparedness, Bossier City, Louisiana, as of and for the year ended December 31, 2005 as listed in the table of contents. These financial statements are the responsibility of the Caddo-Bossier Office of Homeland Security and Emergency Preparedness management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the provisions of Office Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the provisions of Louisiana Revised Statutes 24:513 and the *Louisiana Governmental Audit Guide*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Caddo-Bossier Office of Homeland Security and Emergency Preparedness as of December 31, 2005, and the results of its operations and cash flows for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 15, 2005 on my consideration of Caddo-Bossier Office of Homeland Security and Emergency Preparedness internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The accompanying Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organization," and the supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The required supplementary information as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

The accompanying supplemental information listed in the table of contents under Supplemental Information is presented for the purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



**Richard C
McCallister**

Richard C. McCallister
June 29, 2006

Digitally signed by
Richard C. McCallister
DN: cn=Richard C.
McCallister, o=Richard
C. McCallister, C=US
Date: 2006.06.30
16:39:29 -0700

REQUIRED SUPPLEMENTAL INFORMATION
PART I

CADDO-BOSSIER HOMELAND SECURITY
AND OFFICE OF EMERGENCY PREPAREDNESS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of Management's discussion and analysis (MD&A) is to provide an overview of the financial activities of the Caddo-Bossier Homeland Security and Office of Emergency Preparedness office based on currently known facts, decisions or conditions.

The basic financial statements include government-wide and government fund statements. The government-wide Statement of Net Assets and Statement of Activities present information for all the activities of the Caddo-Bossier Homeland Security and Office of Emergency Preparedness office from an economic resources measurement focus using the accrual basis of accounting. Primarily for our office the difference between these statements and Governmental Funds statements is that assets are capitalized and depreciated over their estimated useful life versus expensed in the Governmental Funds statements.

The office at December 31, 2005 had \$478,068 in cash on hand and net capital assets of \$346,210 with total assets being \$1,021,132, an increase of \$318,616 over December 31, 2004. This office is debt free other than normal trade payables.

	<u>2005</u>
Current assets	674,922
Capital assets	346,210
Total assets	<u>1,021,132</u>
Current liabilities	34,297
Total liabilities	<u>34,297</u>
Net Assets	
Invested in capital assets	346,210
Unrestricted	640,625
Total net assets	<u><u>986,835</u></u>

The revenues from operational grants and appropriations remained fairly constant with that of prior years. Revenue from one time and special grants will vary from year to year. Total operational expenses excluding capital outlays and depreciation were relatively constant with the prior years. Investment earnings of \$8,237 remained consistent with prior years. Net assets increased by \$284,319 over the prior year.

	<u>Governmental Activities</u>
	<u>2005</u>
Revenues	
Program Revenues	
Grants & Appropriations	451,948
General Revenues	
Interest	11,002
Total Revenues	<u>462,950</u>
Expenses	
Personal services	198,787
Other operating	154,966
Total Expenses	<u>353,753</u>
Change in net assets	<u>109,197</u>

Capital outlays totaled \$45,667 for the year primarily from grant funds. No major capital outlays are budgeted for 2005 from general funds but at least \$45,000 will come from grants.

Over the course of the year, the general fund budget was amended to reflect changes in grant incomes and expenditures. For the upcoming fiscal year, the general operating budget anticipates operating expenses of \$457,300 and revenues of \$457,300. Overall the office remains fiscally strong.

This financial report is designed to provide citizens and taxpayers with a general overview of the finances for those funds maintained by the Caddo-Bossier Homeland Security and Office of Emergency Preparedness and to show accountability for those funds. If you have any questions about this report, contact the Caddo-Bossier Homeland Security and Office of Emergency Preparedness.

1511 Doctor's Drive, Bossier City, LA 71111 (318) 425-5353

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
STATEMENT OF NET ASSETS
DECEMBER 31, 2005

ASSETS

Cash	478,068
Investments - Note 3	89,481
Accounts receivable grants - Note 4	107,373
Capital assets, net of accumulated depreciation - Note 5	<u>346,210</u>
Total assets	<u><u>1,021,132</u></u>

LIABILITIES

Accounts payable	1,766
Accrued expenses	<u>32,531</u>
Total Liabilities	<u>34,297</u>
Net assets	
Invested in capital assets, net of related debt	346,210
Restricted for MMRS grants	251,452
Unrestricted	<u>389,173</u>
Total net assets	<u><u>986,835</u></u>

The accompanying notes are an integral part of these financial statements.

CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

		Program Revenues		Net (Expense)
		Operating	Capital Grants	Revenue and
		Grants and	and	Changes in Net
	Expenses	Contributions	Contributions	Assets
Functions/Programs				Governmental
				Activities
Government activities:				
Public Safety	1,636,244	1,866,217	45,419	275,392
Total	<u>1,636,244</u>	<u>1,866,217</u>	<u>45,419</u>	<u>275,392</u>
General Revenues:				
				8,237
Interest				
Miscellaneous				<u>690</u>
Total general revenues				<u>8,927</u>
Change in net assets				<u>284,319</u>
Net assets-beginning				<u>702,516</u>
Net assets-ending				<u><u>986,835</u></u>

The accompanying notes are an integral part of these financial statements.

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2005

	<u>General Fund</u>	<u>Metro Medical Response System</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash	226,616	251,452	478,068
Investments - Note 3	89,481		89,481
Accounts receivable grants - Note 4	107,373		107,373
 Total assets	 <u>423,470</u>	 <u>251,452</u>	 <u>674,922</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	1,766		1,766
Accrued expenses	32,531		32,531
 Total Liabilities	 <u>34,297</u>	 <u>-</u>	 <u>34,297</u>
Fund balances			
Reserved for MMRS grants		251,452	251,452
Unreserved	389,173		389,173
Total fund balances	<u>389,173</u>	<u>251,452</u>	<u>640,625</u>
 Total liabilities and fund balance	 <u>423,470</u>	 <u>251,452</u>	
 Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and are not reported in the fund financial statements			<u>346,210</u>
 Net assets of governmental activities			 <u>986,835</u>

The accompanying notes are an integral part of these financial statements.

CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2005

	General Fund	Homeland Security Grant Program	Metro Medical Response System	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>					
Intergovernmental revenues:					
Federal grants	160,628	1,149,661	280,000	27,954	1,618,243
Local grants	291,320				291,320
Community support	2,075				2,075
Interest	8,237				8,237
Miscellaneous	690				690
Total revenues	<u>462,950</u>	<u>1,149,661</u>	<u>280,000</u>	<u>27,954</u>	<u>1,920,565</u>
<u>EXPENDITURES</u>					
Public Safety:					
Personnel	198,787	51,517	20,890	38,978	310,172
Grants paid		1,049,235			1,049,235
Insurance	2,595				2,595
Public affairs	2,301			6,194	8,495
Warning and communication	81,147				81,147
Office expense	6,506	56	876	13,671	21,109
Dues and publications	1,070				1,070
Travel	7,485	88	2,422	1,468	11,463
Employee retirement	9,715	4,058		2,718	16,491
Maintenance	10,556	4,202	2,993	1,248	18,999
Telephone	8,077		829	4,989	13,895
Training and education	12,129		538	14,256	26,923
Professional services	9,713				9,713
Miscellaneous	3,094				3,094
Capital outlays	578	40,983		4,106	45,667
Total expenditures	<u>353,753</u>	<u>1,150,139</u>	<u>28,548</u>	<u>87,628</u>	<u>1,620,068</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	109,197	(478)	251,452	(59,674)	300,497
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in		478			478
Transfers out	(478)				(478)
<u>FUND BALANCE-BEGINNING</u>	280,454	-	-	59,674	340,128
<u>FUND BALANCE-END</u>	389,173	-	251,452	-	640,625

The accompanying notes are an integral part of these financial statements.

**CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Caddo-Bossier Office of Homeland Security and Emergency Preparedness have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. This office does not use encumbrance accounting. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. FINANCIAL REPORTING ENTITY

The Caddo-Bossier Office of Homeland Security and Emergency Preparedness is an independent agency governed by a four-member Board. The Board consists of the mayors of Shreveport and Bossier City and the presidents of the Caddo Parish Commission and the Bossier Parish Police Jury. The agency operates autonomously from these four governmental units. It controls hiring and retention of employees; has authority over its own budgeting; is responsible for its deficits; and collects and disburses its own funds. Therefore, the agency reports as an independent reporting entity.

C. GOVERNMENT-WIDE ACCOUNTING

In accordance with Governmental Accounting Standards No. 34, the Caddo-Bossier Office of Emergency Preparedness has presented a Statement of Net Assets and Statement of Activities. This office has no component units. Fiduciary funds are reported separately when applicable. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Policies specific to the Statement of Net Assets and Statement of Activities are as follows:

Application of FASB Statements and Interpretations

Reporting on governmental-type activities are based on FASB Statements and interpretations issued after November 31, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets

Tangible and/or intangible assets used in operations with initial useful life that extends beyond one year and a cost of at least \$100 are capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Assets. This office does not own any infrastructure assets. Vehicles are

depreciated with a useful life of four years. Furniture and equipment estimated lives vary from five to twelve years. Building improvements are estimated at twenty-five.

D. FUND ACCOUNTING

The Agency uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds of the agency are all classified as Governmental Funds. Governmental funds account for the Agency's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the Agency include:

General Fund – The general operating fund of the district and accounts for all financial resources, except those required to be accounted for in other funds.

E. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by the type of financial statement presentation.

The Statement of Net Assets and Statement of Activities are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type activities are included in the Statement of Net Assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated in the fund.

The governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period. Available means collected within the current year or expected to be collected within 60 days following year-end. All revenue sources met this criterion. Operating statements of these funds present increases and decreases in net current assets. Expenditures for capital assets are reported as current expense, and such assets are not depreciated.

F. BUDGETS

The Agency uses the following budget practices:

1. Budgets are prepared on the modified accrual basis of accounting and were adopted for the General Fund for 2005.
2. The Agency's Executive Director prepares the proposed budget and submits it to the Chairman of the Board no later than fifteen days prior to the beginning of each fiscal year.
3. The Board adopts the budget by majority vote.
4. Budgetary amendments are made by the Executive Director and do not require approval of the Board.
5. All budgetary appropriations lapse at year-end.
6. Formal budgetary integration is not employed; however, periodic budget comparisons are made as a part of interim reporting. Budgeted amounts included in the accompanying financial statements include the originally adopted budget amounts and all subsequent budget amendments.

The Agency did not comply with the provision in state law requiring that proposed budgets be advertised as available for public inspection prior to adoption.

G. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is generally used in governmental funds. Based on the size of the accounts and the methods utilized for payments, the Agency does not employ encumbrance accounting.

H. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Agency may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under the laws of the United States.

I. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Agency's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

J. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K. COMPENSATED ABSENCES

Vested or accumulated vacation leave is reported as an expenditure/expense and a liability of the governmental when earned.

L. NET ASSETS/FUND BALANCES

In the Statement of Net Assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets is as follows:

Invested in capital assets, net of related debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction, or improvement of capital assets.

Restricted net assets

Net assets that are restricted by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted net assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Reserved

These resources are segregated because their use is earmarked for a specific purpose.

Unreserved

This category represents that portion of equity not appropriable for expenditures or legally separated to a specific future use.

2. CASH AND CASH EQUIVALENTS

The Office of Emergency Preparedness classifies demand and time deposits as cash. The collected balances of the deposits with financial institutions at December 31, 2005 was \$549,132 and was collateralized as follows:

Amount insured by FDIC	\$200,000
Amount collateralized with securities, held by pledging financial institution's trust department in the agency's name (Category 2, GASB Statement No. 3)	492,803
Total collateral	<u>\$692,803</u>

These deposits are stated at cost, which approximates market. Book value of deposits differs from collected balances and equals \$478,803. Under state law, these deposits must be secured by federal deposit insurance or the pledge of the securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Even though pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Agency that the fiscal agent has failed to pay deposited funds upon demand.

3. INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Agency or its agent in the Agency's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Agency's name.
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Agency's name.

The Agency's investments all fall under category 1 and consist of obligations of FHLMC and FNMA. Investments are carried at amortized cost of \$89,481. Market value at December 31, 2005 approximated cost.

4. RECEIVABLES

The following is a summary of receivables at December 31, 2005:

Local grant-Caddo Parish	\$7,500
Louisiana Office of Homeland Security	99,873
Total	<u>\$107,373</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2005 is as follows:

<u>Assets at Cost</u>	Balance			Balance
<u>Description</u>	<u>01/01/05</u>	<u>Additions</u>	<u>Retirements</u>	<u>12/31/05</u>
Equipment	\$351,597	\$45,997		\$397,594
Building Imp	146,003			146,003
Vehicles	17,785			17,785
Totals	<u>515,385</u>	<u>45,997</u>	<u>-</u>	<u>561,382</u>
<u>Accumulated Depreciation</u>				
Equipment	131,573	55,594		187,167
Building Imp	4,380	5,840		10,220
Vehicles	17,044	741		17,785
Totals	<u>152,997</u>	<u>62,175</u>	<u>-</u>	<u>215,172</u>
Net capital assets	<u>\$362,388</u>	<u>(\$16,178)</u>	<u>\$ -</u>	<u>\$346,210</u>

6. PENSION PLAN

Plan Description – The agency covers its full time permanent employees with the City of Shreveport Employees Retirement System. The System is independent of the Caddo-Bossier Office of Emergency Preparedness. The City of Shreveport Employees Retirement System (City Plan) is a cost sharing multiple employer defined benefit pension plan, which is administered by the City of Shreveport.

To be eligible for retirement benefits, employees must have 30 years of service regardless of age, or be age 65 and have 10 years of service and if hired before January 1, 1979 be 55 years of age with 20 years of service. Employees hired after January 1, 1979, may retire at age 55 with 25 years of service or age 60 with 20 years of service. Disability retirement requires 5

years or more of creditable service in order for an employee to be eligible to receive benefits. Death benefit requirements specify that an employee must have been in active service with 10 or more years of creditable service in the Retirement System. Employees become vested in the system after 10 years of creditable service.

Shreveport City Ordinance establishes benefit provisions. Benefits available to employees hired before January 1, 1996, consist of an annuity, which is the actuarial equivalent of the employee's accumulated contributions; plus annual pension, which together with the annuity, provides total retirement allowance equal to 3 percent of average compensation times years of creditable service. Beginning January 1, 1996, the retirement allowance was increased to 3 1/3 percent of average compensation times years of creditable service for 1996 and future years of service. For a service retirement benefit prior to age 65 with less than 20 but more than 10 years of service, the benefit is reduced by 1/4 percent for each month below age 65. If a member dies after retirement and leaves a surviving spouse to whom he/she had been married for at least one year immediately preceding death, such spouse receives 50 percent of the member's retirement for the rest of his/her life. A disability benefit is available if a member is unable to engage in any substantial, gainful activity by reason of medically determined physical or mental impairment, which is likely to be permanent. The Deferred Retirement Option Plan allows members who have met eligibility requirements to defer receipt of benefits until termination at which time the participant will be eligible to receive the deferred benefits.

The City of Shreveport issues an annual publicly available financial report that includes financial statements and required supplementary information. Readers are referred to the Notes to the General Purpose Financial Statements contained in the Comprehensive Annual Financial Report of the City of Shreveport for the years ended December 31, 2004.

Funding Policy - Covered employees are required to contribute 9 percent of their salary to the City Plan while the employer is required to contribute 9.15 percent of the covered employees' salaries. The Shreveport City Ordinance establishes the employer and employee contribution obligations. City of Shreveport Ordinance may amend employee or employer contributions. Employer contributions to the plan were \$16,490 on covered payroll of \$180,222.

Caddo Bossier Office of Emergency Preparedness does not guarantee any of the benefits granted under the plan.

7. COMPENSATED ABSENCES

Full time employees may earn from one hundred thirty to two hundred twenty-five hours of annual leave and sick leave per year depending on their length of service. Upon separation of service, employees may be paid for annual leave up to five hundred hours. Employees are not paid for accrued sick leave upon separation of service, but accrued sick leave may be

applied against total employment years at retirement. The amount of accrued leave at December 31, 2005 was \$32,531 and is included as a liability of the general fund and statement of net assets.

8. RISK MANAGEMENT

The agency covers its risks of loss through the purchase of commercial insurance. Operations do not expose the agency to any significant risks.

REQUIRED SUPPLEMENTAL INFORMATION
PART II

CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budget (1)</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES</u>			
Intergovernmental revenues:			
Federal Grants	140,538	160,628	20,090
Local Grants	289,460	291,320	1,860
Community support	-	2,075	2,075
Miscellaneous	-	690	690
Interest	-	8,237	8,237
	<u>429,998</u>	<u>462,950</u>	<u>32,952</u>
Total revenues			
<u>EXPENDITURES</u>			
Public Safety:			
Personnel	232,860	198,787	34,073
Insurance	2,500	2,595	(95)
Public affairs	3,200	2,301	899
Office expense	35,300	6,506	28,794
Dues and publications	850	1,070	(220)
Warning and communication	66,500	81,147	(14,647)
Travel	9,400	7,485	1,915
Employee retirement	11,438	9,715	1,723
Maintenance	7,950	10,556	(2,606)
Telephone	18,000	8,077	9,923
Training and education	8,000	12,129	(4,129)
Professional services	16,000	9,713	6,287
Miscellaneous	3,800	3,094	706
Capital outlays	13,200	578	12,622
	<u>428,998</u>	<u>353,753</u>	<u>75,245</u>
Total expenditures			
<u>EXCESS OF REVENUES</u>			
<u>OVER (UNDER) EXPENDITURES</u>	1,000	109,197	108,197
<u>FUND BALANCE-BEGINNING OF YEAR</u>	<u>340,000</u>	<u>280,454</u>	<u>(59,546)</u>
<u>FUND BALANCE-END OF YEAR</u>	<u>341,000</u>	<u>389,651</u>	<u>48,651</u>

(1) Modified accrual basis of accounting.

The accompanying notes are an integral part of these financial statements.

SUPPLEMENTAL INFORMATION

**CADD0-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

<u>FEDERAL GRANTOR PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>FEDERAL EXPENDITURES (1)</u>
Department of Homeland Security			
Emergency Mgt Performance Grants	97.042	72600878100	\$ 160,628
Homeland Security Grant Program (A)	97.067	2003-MU-T3-0022	1,150,139
Metropolitan Medical Response System	97.071	233-01-0053	28,548
Citizens Corps Grant	97.054	N/A	41,723

(1) Prepared on the accrual basis of accounting.

Richard C. McCallister
Certified Public Accountant

3536 Youree Drive
P.O. Box 44046
Shreveport, LA 71134-4046
(318) 865-9206
FAX (318) 865-0751

Member
American Institute of
Certified Public Accountants

Member
Society of Louisiana
Certified Public Accountants

REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Executive Council
Caddo-Bossier Office of Homeland Security
and Emergency Preparedness
Bossier City, Louisiana

I have audited the financial statements of Caddo-Bossier Office of Homeland Security and Emergency Preparedness, Bossier City, Louisiana, as of and for the year ended December 31, 2005 and have issued my report thereon dated June 29, 2006. I have conducted my audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States.

Compliance

As part of obtaining reasonable assurance about whether Caddo-Bossier Office of Homeland Security and Emergency Preparedness financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and is listed as finding 2005-1 in the accompanying Schedule of Audit Findings and Questioned Costs.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Caddo-Bossier Office of Homeland Security and Emergency Preparedness internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My

consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure over financial reporting and its operation that I consider to be a material weakness.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record, and its distribution is not limited.



Richard C
McCallister

Richard C. McCallister
Shreveport, Louisiana
June 29, 2006

Digitally signed by
Richard C. McCallister
DN: cn=Richard C.
McCallister, o=Richard
C. McCallister, CP, A,
email=
Date: 2006.06.30
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Richard C. McCallister
Certified Public Accountant

3536 Youree Drive
P.O. Box 44046
Shreveport, LA 71134-4046
(318) 865-9206
FAX (318) 865-0751

Member
American Institute of
Certified Public Accountants

Member
Society of Louisiana
Certified Public Accountants

**REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Executive Council
Caddo-Bossier Office of Homeland Security
and Emergency Preparedness
Bossier City, Louisiana

I have audited the compliance of the Caddo-Bossier Office of Homeland Security and Emergency Preparedness, Bossier City, Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended December 31, 2005. The Caddo-Bossier Office of Homeland Security and Emergency Preparedness major federal program is identified in the accompanying Schedule of Expenditure of Federal Awards. Compliance with the requirement of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Caddo-Bossier Office of Homeland Security and Emergency Preparedness management. My responsibility is to express an opinion on Caddo-Bossier Office of Homeland Security and Emergency Preparedness compliance based on my audit.

I conducted the audit of compliance in accordance with auditing standard generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and provisions of Louisiana Revised Statutes 24:513 and the *Louisiana Governmental Audit Guide*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Caddo-Bossier Office of Homeland Security and Emergency Preparedness compliance with those requirements and performing such other procedures as I consider necessary in the circumstances. I believe the audit provides a reasonable basis for my opinion. My audit does not provide legal determination on Caddo-Bossier Office of Homeland Security and Emergency Preparedness compliance with those requirements.

In my opinion, Caddo-Bossier Office of Homeland Security and Emergency Preparedness complied, in all material respects, with requirements referred to above that are applicable to its major federal program for the year ended December 31, 2005.

Internal Control Over Compliance

The management of Caddo-Bossier Office of Homeland Security and Emergency Preparedness is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Caddo-Bossier Office of Homeland Security and Emergency Preparedness internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider weaknesses.

This report is intended for the information of the management and Executive Council of the Caddo-Bossier Office of Homeland Security and Emergency Preparedness, the Legislative Auditor of the State of Louisiana, and the federal awarding agency. However, this report is a matter of public record and its distribution is not limited.



**Richard C
McCallister**

Richard C. McCallister
Shreveport, Louisiana
June 29, 2006

Digitally signed by
Richard C. McCallister
DN: cn=Richard C.
McCallister, o=Caddo-Bossier
Office of Homeland Security
and Emergency Preparedness,
ou=Louisiana, c=US
Date: 2006.06.30
16:42:17 -0500

CADD0-BOSSIER OFFICE OF EMERGENCY PREPAREDNESS

SUMMARY OF AUDITOR'S RESULTS
For the Year Ended December 31, 2005

Financial Statements

Type of auditor's issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Reportable conditions identified not considered to be material weaknesses?	<u>No</u>
Noncompliance material to financial statements noted?	<u>Yes</u>

CADDO-BOSSIER OFFICE OF EMERGENCY PREPAREDNESS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2005

COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS, AND GRANTS

2005-1 Failure to comply with Louisiana Budget Law

The budgets were not advertised for inspection by the public.

The office goes through an extensive budget process to obtain approval for their operational funding by local agencies. Their budgeted amounts are included in the budget of those agencies. The director did not feel that separate budget advertising was required.

The office needs to follow the required Louisiana Budget Process.

CADDO-BOSSIER OFFICE OF EMERGENCY PREPAREDNESS
MANAGEMENT'S SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2005

COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS, AND GRANTS

2004-01 Failure to advertise budgets for inspection by the public

Budgets are still not advertised for public inspection.

**Caddo-Bossier Office of Homeland Security
and Emergency Preparedness
PO Box 192
Shreveport, LA 71161
(318) 425-5353 or Fax (318) 425-5940**

June 30, 2006

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana

The Caddo-Bossier Office of Homeland Security and Emergency Preparedness respectfully submits the following corrective action plan for the year ended December 31, 2005.

Name and address of the accounting firm:

Richard C. McCallister, CPA
PO Box 44046
Shreveport, LA 71134

The findings from December 31, 2005 included in the schedule of Financial Statements Findings are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

2005-1 Failure to comply with Louisiana Budget Law

The budgets will be advertised for public inspection in accordance with Louisiana Budget Law.

Sincerely,

 **Charles S
Davis**

Charles S. Davis
Acting Executive Director

Digitally signed by
Charles S Davis
DN: cn=Charles S
Davis,
ou=Caddo-Bossier
Office of Homeland
Security and Emg
ppd, o=US
Date: 2006.08.30
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